

**AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
SYSERCO INTEGRATED BUILDING SYSTEMS, INC. *Wb***

PREAMBLE

This agreement for the performance of services ("Agreement") is made and entered into on this October day of 2008, ("Effective Date") by and between Syserco ~~Integrated Building Systems, Inc.~~ *Wb* (Syserco), a California corporation, with its principal place of business located at 44244 Fremont Boulevard, Fremont, California 94538 ("Contractor"), and the City of Santa Clara, California, a chartered California municipal corporation with its primary business address at 1500 Warburton Avenue, Santa Clara, California 95050 ("City"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- "Attached Proposal as Exhibit A to contract docs"*
- A. City desires to secure professional services more fully described in this Agreement, at Exhibit A, entitled "Scope of Services"; and
 - B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and
 - C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT PROVISIONS

1. EMPLOYMENT OF CONTRACTOR.

City hereby employs Contractor to perform services set forth in this Agreement. To accomplish that end, City may assign a Project Manager to personally direct the Services to be provided by Contractor and will notify Contractor in writing of City's choice. City shall pay for all such materials and services provided which are consistent with the terms of this Agreement.

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2. SERVICES TO BE PROVIDED.

Except as specified in this Agreement, Contractor shall furnish all technical and professional services, including labor, material, equipment, transportation, supervision and expertise (collectively referred to as "Services") to satisfactorily complete the work required by City at his/her own risk and expense. Services to be provided to City are more fully described in Exhibit A entitled "SCOPE OF SERVICES." All of the exhibits referenced in this Agreement are attached and are incorporated by this reference.

3. COMMENCEMENT AND COMPLETION OF SERVICES.

- A. Contractor shall begin providing the services under the requirements of this Agreement upon receipt of written Notice to Proceed from City. Such notice shall be deemed to have occurred three (3) calendar days after it has been deposited in the regular United States mail. Contractor shall complete the Services within the time limits set forth in the Scope of Services or as mutually determined in writing by the Parties.
- B. When City determines that Contractor has satisfactorily completed the Services, City shall give Contractor written Notice of Final Acceptance. Upon receipt of such notice, Contractor shall not incur any further costs under this Agreement. Contractor may request this determination of completion be made when, in its opinion, the Services have been satisfactorily completed. If so requested by the contractor, City shall make this determination within fourteen (14) days of its receipt of such request.

4. TERM OF AGREEMENT.

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate on December 31, 2010.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF WORKMANSHIP.

Contractor represents and maintains that it has the necessary expertise in the professional calling necessary to perform services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

The plans, designs, specifications, estimates, calculations, reports and other documents furnished under Exhibit A shall be of a quality acceptable to City. The criteria for acceptance of the work provided under this Agreement shall be a product of neat appearance, well organized, that is technically and grammatically correct, checked and having the maker and checker identified. The minimum standard of appearance, organization and content of the drawings shall be that used by City for similar projects.

6. MONITORING OF SERVICES.

City may monitor the Services performed under this Agreement to determine whether Contractor's operation conforms to City policy and to the terms of this Agreement. City may also monitor the Services to be performed to determine whether financial operations are conducted in accord with applicable City, county, state, and federal requirements. If any action of Contractor constitutes a breach, City may terminate this Agreement pursuant to the provisions described herein.

7. WARRANTY.

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect, and shall conform to the specifications, requirements, and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate, or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

8. PERFORMANCE OF SERVICES.

Contractor shall perform all requested services in an efficient and expeditious manner and shall work closely with and be guided by City. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it. Contractor will perform all Services in a safe manner and in accordance with all federal, state and local operation and safety regulations.

9. RESPONSIBILITY OF CONTRACTOR.

Contractor shall be responsible for the professional quality, technical accuracy and coordination of the Services furnished by it under this Agreement. Neither City's review, acceptance, nor payments for any of the Services required under this Agreement shall be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement and Contractor shall be and remain liable to City in accordance with applicable law for all damages to City caused by Contractor negligent performance of any of the Services furnished under this Agreement.

Any acceptance by City of plans, specifications, construction contract documents, reports, diagrams, maps and other material prepared by Contractor shall not in any respect absolve Contractor from the responsibility Contractor has in accordance with customary standards of good professional practice in compliance with applicable federal, state, county, and/or municipal laws, ordinances, regulations, rules and orders.

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10. COMPENSATION AND PAYMENT.

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and services rendered by Contractor at the amounts noted in Exhibit B, entitled "FEE SCHEDULE."

Contractor will bill City on a monthly basis for Services provided by Contractor during the preceding month, subject to verification by City. City will pay Contractor within thirty (30) days of City's receipt of invoice.

11. TERMINATION OF AGREEMENT.

Either Party may terminate this Agreement without cause by giving the other Party written notice ("Notice of Termination") which clearly expresses that Party's intent to terminate the Agreement. Notice of Termination shall become effective no less than thirty (30) calendar days after a Party receives such notice. After either Party terminates the Agreement, Contractor shall discontinue further services as of the effective date of termination, and City shall pay Contractor for all Services satisfactorily performed up to such date.

12. NO ASSIGNMENT OR SUBCONTRACTING OF AGREEMENT.

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

13. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

14. INDEPENDENT CONTRACTOR.

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights, however, to manage its employees in their performance of Services under this Agreement. Contractor is not authorized to bind City to any contracts or other obligations.

15. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall Contractor have the authority or power to pledge the credit of City or incur any obligation in the name of City. Contractor shall save and hold harmless the City, its City Council, its officers, employees, boards and commissions for expenses arising out of any unauthorized pledges of City's credit by Contractor under this Agreement.

16. CONFIDENTIALITY OF MATERIAL.

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

17. USE OF CITY NAME OR EMBLEM.

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

18. OWNERSHIP OF MATERIAL.

All material, including information developed on computer(s), which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

19. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR.

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for three (3) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

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20. CORRECTION OF SERVICES.

Contractor agrees to correct any incomplete, inaccurate or defective Services at no further costs to City, when such defects are due to the negligence, errors or omissions of Contractor.

21. FAIR EMPLOYMENT.

Contractor shall not discriminate against any employee or applicant for employment because of race, color, creed, national origin, gender, sexual orientation, age, disability, religion, ethnic background, or marital status, in violation of state or federal law.

22. HOLD HARMLESS/INDEMNIFICATION.

To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and reasonable attorney's fees in providing a defense to any claim arising therefrom, for which City shall become liable arising from Contractor's negligent, reckless or wrongful acts, errors, or omissions with respect to or in any way connected with the Services performed by Contractor pursuant to this Agreement.

23. INSURANCE REQUIREMENTS.

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall purchase and maintain in full force and effect, at no cost to City insurance policies with respect to employees and vehicles assigned to the Performance of Services under this Agreement with coverage amounts, required endorsements, certificates of insurance, and coverage verifications as defined in Exhibit C.

24. AMENDMENTS.

This Agreement may be amended only with the written consent of both Parties.

25. INTEGRATED DOCUMENT.

This Agreement represents the entire agreement between City and Contractor. No other understanding, agreements, conversations, or otherwise, with any representative of City prior to execution of this Agreement shall affect or modify any of the terms or obligations of this Agreement. Any verbal agreement shall be considered unofficial information and is not binding upon City.

26. SEVERABILITY CLAUSE.

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

27. WAIVER.

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement.

28. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Engineering Department
1500 Warburton Avenue
Santa Clara, California 95050
or by facsimile at (408) 985-7936

And to Contractor addressed as follows:

Syserco ~~Integrated Building Systems~~, Inc. *hb*
44244 Fremont Boulevard
Fremont, California 94538
or by facsimile at (510) 498-1161

If notice is sent via facsimile, a signed, hard copy of the material shall also be mailed. The workday the facsimile was sent shall control the date notice was deemed given if there is a facsimile machine generated document on the date of transmission. A facsimile transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

29. CAPTIONS.

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

30. LAW GOVERNING CONTRACT AND VENUE.

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

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31. DISPUTE RESOLUTION.

- A. Unless otherwise mutually agreed to by the Parties, any controversies between Contractor and City regarding the construction or application of this Agreement, and claims arising out of this Agreement or its breach, shall be submitted to mediation within thirty (30) days of the written request of one Party after the service of that request on the other Party.
- B. The Parties may agree on one mediator. If they cannot agree on one mediator, the Party demanding mediation shall request the Superior Court of Santa Clara County to appoint a mediator. The mediation meeting shall not exceed one day (eight (8) hours). The Parties may agree to extend the time allowed for mediation under this Agreement.
- C. The costs of mediation shall be borne by the Parties equally.
- D. For any contract dispute, mediation under this section is a condition precedent to filing an action in any court. In the event of mediation which arises out of any dispute related to this Agreement, the Parties shall each pay their respective attorney's fees, expert witness costs and cost of suit through mediation only. In the event of litigation, the prevailing Party shall recover its reasonable costs of suit, expert's fees, and attorney's fees.

32. COMPLIANCE WITH ETHICAL STANDARDS.

Contractor shall:

- A. Read Exhibit D, entitled "ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO AN AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA"; and,
- B. Execute Exhibit E, entitled "AFFIDAVIT OF COMPLIANCE WITH ETHICAL STANDARDS."

33. LIQUIDATED DAMAGES.

It is mutually agreed by Contractor and City that, in event completion of the Services to be provided by the Contractor under this Agreement is delayed beyond 75 working days after the start date in the Notice to Proceed, City will suffer damages and will incur other costs and expenses of a nature and amount which is difficult or impractical to determine. The Parties agree that by way of ascertaining and fixing the amount of damages, costs and expenses, and not by way of penalty, Contractor shall pay to City the sum of One Hundred dollars (\$100.00) per day in liquidated damages for each and every calendar day such delay in completion of said Services continues beyond 75 working days after the start date in the Notice to Proceed. In the event that said liquidated damages are not paid, Contractor agrees that City may deduct the amount of said unpaid damages from any money due or that may become due to Contractor under this Agreement. Working days are defined as any day except Saturday, Sunday, or City Holiday.

34. **CONFLICT OF INTERESTS.**

This Agreement does not prevent either Party from entering into similar agreements with other parties. To prevent a conflict of interest, Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code Section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.

CITY OF SANTA CLARA, CALIFORNIA,
a chartered California municipal corporation

APPROVED AS TO FORM:

HELENE L. LEICHTER
City Attorney

ATTEST:

ROD DIRIDON, JR.
City Clerk

JENNIFER SPARACINO
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

SYSERCO INTEGRATED BUILDING SYSTEMS, ^{LLC}
a California corporation

By: Majd Khleif
(Signature of Person executing the Agreement on behalf of Contractor)

Name: _____
(Please type or print)

Title: **Majd Khleif**
V.P. of Business Operations

(Please type or print)

Local Address: 44244 Fremont Boulevard
Fremont, CA 94538

Telephone (510) 498-1171

Fax: (510) 498-1161

"CONTRACTOR"

I:\ENGINEERING\Draft\WP\AGREE\Syserco Integrated Building Systems Inc. West Wing & Courthouse (Over \$50K-Service) Agmt.doc

**AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
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EXHIBIT A

SCOPE OF SERVICES

The Services to be performed for the City by the Contractor under this Agreement are more fully described in the Contractor's proposal entitled, "Revised Syserco Controls Proposal for the Addition of the West Wing and Court Buildings to the City of Santa Clara Wide Area Network" dated August 8, 2008, which is attached to this Exhibit A.



44244 Fremont Blvd.

Fremont, CA 94538

Phone: 510 498-1171

Fax: 510 498-1161

www.syserco.com

Contractors License # 483939

REVISED PROPOSAL

August 8, 2008

Attention: Rex Carlson, Foreman Mechanical Maintenance
City of Santa Clara
1500 Warburton Ave
Santa Clara, CA 95050
rcarlson@ci.santa-clara.ca.us

Project: Revised Syserco Controls Proposal for the Addition of the West Wing and Court Buildings to the City of Santa Clara Wide Area Network. Second Floor VAV Boxes and Perimeter Heating Units Added

Thank you for the opportunity to propose Syserco control solutions to the City of Santa Clara to add the City Hall West Wing and Court Buildings to the City of Santa Clara Alerton Building Automation and Energy Management System Wide Area Network (WAN).

Scope of Work

Syserco Inc. will provide a complete Alerton BACnet Building Automation and Energy Management System to match City of Santa Clara Standards including Engineering Submittals, Installation by IBEW electricians, Programming, Start-up and Commissioning for the following equipment in the Court Building and City Hall West Wing Building:

Two (2) Alerton BACnet Global Controller Model BCM. The Global Controller will be mounted in Steel NEMA 1 enclosures. One BACnet Global Controller Model BCM will be located in each building. A static IP address will be required at each location to put the buildings on the WAN. The existing City of Santa Clara, Alerton Envision for BACtalk software will be used for this project.

Court Building

Syserco will supply and install Field Level Controllers, Valves, Damper Actuators and Temperature Sensors to control the following equipment in the Court Building:

- ❖ Control of Twelve (12) Terminal Boxes with Hot Water Reheat, each Terminal Box will be provided with the following:
 - Alerton Model VAViH-SD controller with integral damper actuator motor
 - Alerton Microset II Thermostats
 - Belimo Hot Water Valves; (8) ½ inch 2-way valves. (4) ½ inch 3-way valves. Valve installation by others.
 - Supply Air Temperature Sensors.
- ❖ Control of Hot Water Boiler; B-1 and Hot Water Circulating Pump; P-1:
 - Control Hot Water Boiler Start/Stop based on time of day schedule and space temperature.
 - Monitor Hot Water Supply and Return Temperatures
 - Reset supply hot water temperature based on outside air temperature for energy savings.
- ❖ Control of two (2) Carrier Model 38 AN028 Air Handling Units and one Carrier Air Cooled Outdoor Condensing Unit.
 - Alerton Model VLC 853 Field Level Controllers

- Supply Air, Mixed Air and Return Air Temperature Sensors.
- Control existing Supply Air Fan Variable Frequency Drives
- Control existing Belimo Damper Actuator Motors for Outside Air (economizer)
- Control Liquid Line Solenoid Valves
- Interlock and control of Carrier outside air cooled condensing unit.
- ❖ Control of Building Static Pressure using Attic Exhaust Fan

Pricing Court Building

Syserco pricing for the Court Building addition to the Alerton Building Automation and Energy Management System as described in this proposal (including sales tax) is: **\$56,950.00**

City Hall West Wing Building

Syserco will supply and install Field Level Controllers, Valves, Damper Actuators and Temperature Sensors to control the following equipment in the City Hall West Wing Building:

- ❖ Control of City Hall West Wing Air Handling Unit
 - Control of Supply Air Fan, note control system points have been reserved for the future installation of a Variable Frequency Drive.
 - Control of Return Air Fan, note control system points have been reserved for the future installation of a Variable Frequency Drive.
 - Supply Air Temperature Sensor
 - Return Air Temperature Sensor
 - Mixed Air Temperature Sensor
 - Building Static Pressure Sensor
 - Control of Chilled Water control valve. Chilled water valve replacement or retrofit to be determined after asbestos insulation is removed.
 - Syserco will supply a 1-1/4 inch, 3-way Characterized Ball Valve. Valve installation by others.
 - Belimo Damper Actuators for Outside Air Dampers, Exhaust Air Dampers and Return Air Dampers.
 - Syserco will supply and install a Filter Differential Pressure Transducer.
- ❖ Control of Rest Room Exhaust Fans
- ❖ Add nine (9) VAV Boxes with reheat valves and six (6) perimeter heating units with valves.
Syserco will supply the following equipment for each VAV box:
 - Alerton Model VAViH-SD controllers for each VAV box. Note the controller includes both the damper motor actuator and controller. The boxes can be maintained as constant volume boxes and the damper actuator is already in place when the supply air fan is controlled by a Variable Frequency Drive.
 - Discharge Air Temperature Sensor.
 - Belimo Hot Water Coil Reheat Valves in 3-way and 2-way configurations to match the existing plumbing schedule.
 - Syserco will supply and install Alerton Microset II Thermostats
- ❖ Each perimeter heating unit will be supplied with the following:
 - Belimo zone control Hot Water Coil Reheat Valves
 - Syserco will supply and install Alerton Microset II Thermostats

Pricing City Hall West Wing Building

Syserco pricing for the Court Building addition to the Alerton Building Automation and Energy Management System as described in this proposal (including sales tax) is: **\$58,250.00**

Commissioning

Syserco will work with the City of Santa Clara Facilities and Engineering Staff in the start-up and Commissioning of the new controls in the Court and City Hall West Wing Buildings.

Training

Syserco hosts local area training covering Alerton hardware and software at the IBEW Joint Apprenticeship Training Center in San Leandro, CA. Additional e-learning and Alerton Factory Training are available from Syserco.

Exclusions and Clarifications

We specifically exclude all work not included in our Scope of Work above, including, but not limited to providing or installing:

1. All control wiring not directly connected to Alerton hardware or Alerton communications network.
2. Control Dampers, Fire Dampers and Smoke Dampers to be supplied and installed by others.
3. All exposed control wiring in the mechanical, electrical, telephone and boiler rooms to be installed in EMT conduit or raceways. All other wiring to be installed neatly and inconspicuously per local code requirements. Control wiring above accessible ceiling spaces may be run with Plenum Rated cable (without conduit). All cable used will be Plenum Rated
4. Motor Starters, installation and wiring by others.
5. This proposal does not include Light Switches, Light Panels and Wiring.
6. Line/High Voltage Power Wiring
7. Fireman's Smoke Control Panel and interface is excluded.
8. Cutting, Patching and Painting
9. The installation of all plumbing related items.

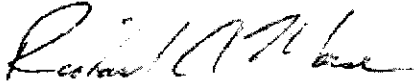
Conditions

This quotation is subject to acceptance within 45 calendar days and to all of the terms and conditions contained below.

1. This proposal will constitute the Scope of Work under Client's contract with Syserco Inc.
2. A joint-check agreement is required between Syserco Inc. and Client unless Client has previously established satisfactory credit with Syserco Inc. Credit ratings are based solely on Syserco Inc.'s methods for determining credit worthiness and may change to reflect recent credit history.
3. Unless specifically indicated herein to the contrary, this Proposal contemplates: (a) one (1) mobilization and continuous operation, (b) forty (40) hour work week during normal working hours [thirty-five (35) in San Francisco County] for a maximum of eight (8) hours per day [seven (7) in San Francisco County], (c) all start-up and commissioning on the project will be performed at one time, after Client has provided written report to Syserco Inc. that all work on the project is sufficiently completed for Syserco Inc. to complete its work without interruption. Client will be responsible to reimburse Syserco Inc. for lost time due to incomplete for multiple start-up and commissioning visits at Syserco Inc.'s current hourly technician rate.
4. Unless otherwise specified in this proposal, the cost of bonds is not included herein and if required, shall be an additional expense to Client.
5. No work will commence on project, including engineering submittals until receipt of mutually agreeable contract.
6. The customer will be responsible for providing a static IP address and connection at the Global Controller for connection to the WAN.
7. All control wire shall be run in conduit in exposed areas as specified, all other locations shall be plenum rated.

Thank you for selecting Syserco for your Building Control Solutions – we help you make your buildings work.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Morse". The signature is fluid and cursive, with the first name "Richard" being more legible than the last name "Morse".

Richard A. Morse, LEED AP
Sales Engineer
510.498.1171 Ext. 25
510.4981160 Fax
r.morse@syserco.com

**AGREEMENT FOR SERVICES
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EXHIBIT B

FEE SCHEDULE

The costs for performing the work covered by this Agreement are listed in Exhibit A.

In no event shall the amount billed to City by Contractor for services under this Agreement exceed \$125,200 (\$115,200 for Basic Services plus \$10,000 for Additional Services as approved by the Director of Public Works/City Engineer), subject to budget appropriations.

**AGREEMENT FOR SERVICES
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EXHIBIT C

INSURANCE REQUIREMENTS

INSURANCE COVERAGE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

\$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
\$2,000,000 Products/Completed Operations Aggregate
\$1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars (\$2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.
3. Cancellation.
 - a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
 - b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.
4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. **ADDITIONAL INSURANCE RELATED PROVISIONS**

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, purchase and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

City of Santa Clara – Engineering Department
c/o Ebix BPO
151 North Lyon Avenue
Hemet, CA 92543
Telephone: (951) 658-4000; or
Fax: (951) 658-4001

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

**AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
SYSERCO INTEGRATED BUILDING SYSTEMS, INC.**

EXHIBIT D

**ETHICAL STANDARDS FOR CONTRACTORS SEEKING TO ENTER INTO AN
AGREEMENT WITH THE CITY OF SANTA CLARA, CALIFORNIA**

Termination of Agreement for Certain Acts.

- I. The City may, at its sole discretion, terminate this Agreement in the event any one or more of the following occurs:
 1. If a Contractor¹ does any of the following:
 - a. Is convicted² of operating a business in violation of any Federal, State or local law or regulation;
 - b. Is convicted of a crime punishable as a felony involving dishonesty³;
 - c. Is convicted of an offense involving dishonesty or is convicted of fraud or a criminal offense in connection with: (1) obtaining; (2) attempting to obtain; or, (3) performing a public contract or subcontract;
 - d. Is convicted of any offense which indicates a lack of business integrity or business honesty which seriously and directly affects the present responsibility of a City contractor or subcontractor; and/or,
 - e. Made (or makes) any false statement(s) or representation(s) with respect to this Agreement.

¹ For purposes of this Agreement, the word "Consultant" (whether a person or a legal entity) also refers to "Contractor" and means any of the following: an owner or co-owner of a sole proprietorship; a person who controls or who has the power to control a business entity; a general partner of a partnership; a principal in a joint venture; or a primary corporate stockholder [i.e., a person who owns more than ten percent (10%) of the outstanding stock of a corporation] and who is active in the day to day operations of that corporation.

² For purposes of this Agreement, the words "convicted" or "conviction" mean a judgment or conviction of a criminal offense by any court of competent jurisdiction, whether entered upon a verdict or a plea, and includes a conviction entered upon a plea of nolo contendere within the past five (5) years.

³ As used herein, "dishonesty" includes, but is not limited to, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, failure to pay tax obligations, receiving stolen property, collusion or conspiracy.

2. If fraudulent, criminal or other seriously improper conduct of any officer, director, shareholder, partner, employee or other individual associated with the Contractor can be imputed to the Contractor when the conduct occurred in connection with the individual's performance of duties for or on behalf of the Contractor, with the Contractor's knowledge, approval or acquiescence, the Contractor's acceptance of the benefits derived from the conduct shall be evidence of such knowledge, approval or acquiescence.
- J. The City may also terminate this Agreement in the event any one or more of the following occurs:
1. The City determines that Contractor no longer has the financial capability⁴ or business experience⁵ to perform the terms of, or operate under, this Agreement; or,
 2. If City determines that the Contractor fails to submit information, or submits false information, which is required to perform or be awarded a contract with City, including, but not limited to, Contractor's failure to maintain a required State issued license, failure to obtain a City business license (if applicable) or failure to purchase and maintain bonds and/or insurance policies required under this Agreement.
- K. In the event a prospective Contractor (or bidder) is ruled ineligible (debarred) to participate in a contract award process or a contract is terminated pursuant to these provisions, Contractor may appeal the City's action to the City Council by filing a written request with the City Clerk within ten (10) days of the notice given by City to have the matter heard. The matter will be heard within thirty (30) days of the filing of the appeal request with the City Clerk. The Contractor will have the burden of proof on the appeal. The Contractor shall have the opportunity to present evidence, both oral and documentary, and argument.

⁴ Contractor becomes insolvent, transfers assets in fraud of creditors, makes an assignment for the benefit of creditors, files a petition under any section or chapter of the federal Bankruptcy Code (11 U.S.C.), as amended, or under any similar law or statute of the United States or any state thereof, is adjudged bankrupt or insolvent in proceedings under such laws, or a receiver or trustee is appointed for all or substantially all of the assets of Contractor.

⁵ Loss of personnel deemed essential by the City for the successful performance of the obligations of the Contractor to the City.

**AGREEMENT FOR SERVICES
BY AND BETWEEN THE
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AND
SYSERCO INTEGRATED BUILDING SYSTEMS, INC.**

EXHIBIT E

AFFIDAVIT OF COMPLIANCE WITH ETHICAL STANDARDS

I, Majd Khleif, being first duly sworn, depose and state I am
VP of Buss Operations (title or capacity) of Syserco, Inc. (entity name)
and I hereby state that I have read and understand the language, entitled "Ethical Standards" set
forth in Exhibit D. I have the authority to make these representations on my own behalf or on
behalf of the legal entity identified herein. I have examined appropriate business records, and I
have made appropriate inquiry of those individuals potentially included within the definition of
"Contractor" contained in Ethical Standards at footnote 1.

Based on my review of the appropriate documents and my good-faith review of the necessary
inquiry responses, I hereby state that neither the business entity nor any individual(s) belonging
to said "Contractor" category [i.e., owner or co-owner of a sole proprietorship, general partner,
person who controls or has power to control a business entity, etc.] has been convicted of any
one or more of the crimes identified in the Ethical Standards within the past five (5) years.

The above assertions are true and correct and are made under penalty of perjury under the laws
of the State of California.

SYSERCO INTEGRATED BUILDING SYSTEMS,
a California corporation

By: Majd Khleif
Signature of Authorized Person or Representative

Name: PLEASE PRINT **Majd Khleif**

V.P. of Business Operations

Title: PLEASE PRINT

NOTARY'S ACKNOWLEDGMENT TO BE ATTACHED

Please execute the affidavit and attach a notary public's acknowledgment of execution of the affidavit by the
signatory. If the affidavit is on behalf of a corporation, partnership, or other legal entity, the entity's complete legal
name and the title of the person signing on behalf of the legal entity shall appear above. Written evidence of the
authority of the person executing this affidavit on behalf of a corporation, partnership, joint venture, or any other
legal entity, other than a sole proprietorship, shall be attached.

California All-Purpose Acknowledgment

STATE OF CALIFORNIA)

COUNTY OF Alameda) ss

On 10-20-08, before me, Dawn Phillips,
a Notary Public in and for said County and State, personally
appeared Majd Khleif, who proved to me on the basis
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the
within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

*I certify under PENALTY OF PERJURY under the laws of the State of
California that the foregoing paragraph is true and correct.*

WITNESS my hand and official seal.



Dawn Phillips
NOTARY PUBLIC, STATE OF CALIFORNIA

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT.

**AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
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EXHIBIT F

MILESTONE SCHEDULE

Not Applicable